



HOUSE COMMITTEE ON APPROPRIATIONS

FY 09-10

Executive Budget Review

Department of Revenue
Secretary Cynthia Bridges



The Department of Revenue includes the
following agencies:

Office of Revenue
Louisiana Tax Commission



Executive Budget By Means of Finance

DEPARTMENT OF REVENUE					
Means of Financing (MOF)	Actual Expenditures FY 2007-08	Existing Operating Budget FY 2008-09 (2/1/09)	Executive Budget FY 2009-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$49,212,889	\$19,431,806	\$12,572,885	(\$6,858,921)	-35.30%
Interagency Transfers (IAT)	\$253,529	\$1,742,403	\$356,578	(\$1,385,825)	-79.54%
Fees and Self-gen. Rev. (SGR)	\$40,701,738	\$80,074,063	\$76,126,618	(\$3,947,445)	-4.93%
Statutory Dedications (SD)	\$964,458	\$1,943,854	\$1,801,760	(\$142,094)	-7.31%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$373,199	\$394,000	\$394,000	\$0	100.00%
TOTAL MOF	\$91,505,813	\$103,586,126	\$91,251,841	(\$12,334,285)	-11.91%
Authorized Positions	947	877	857	-20	-2.28%

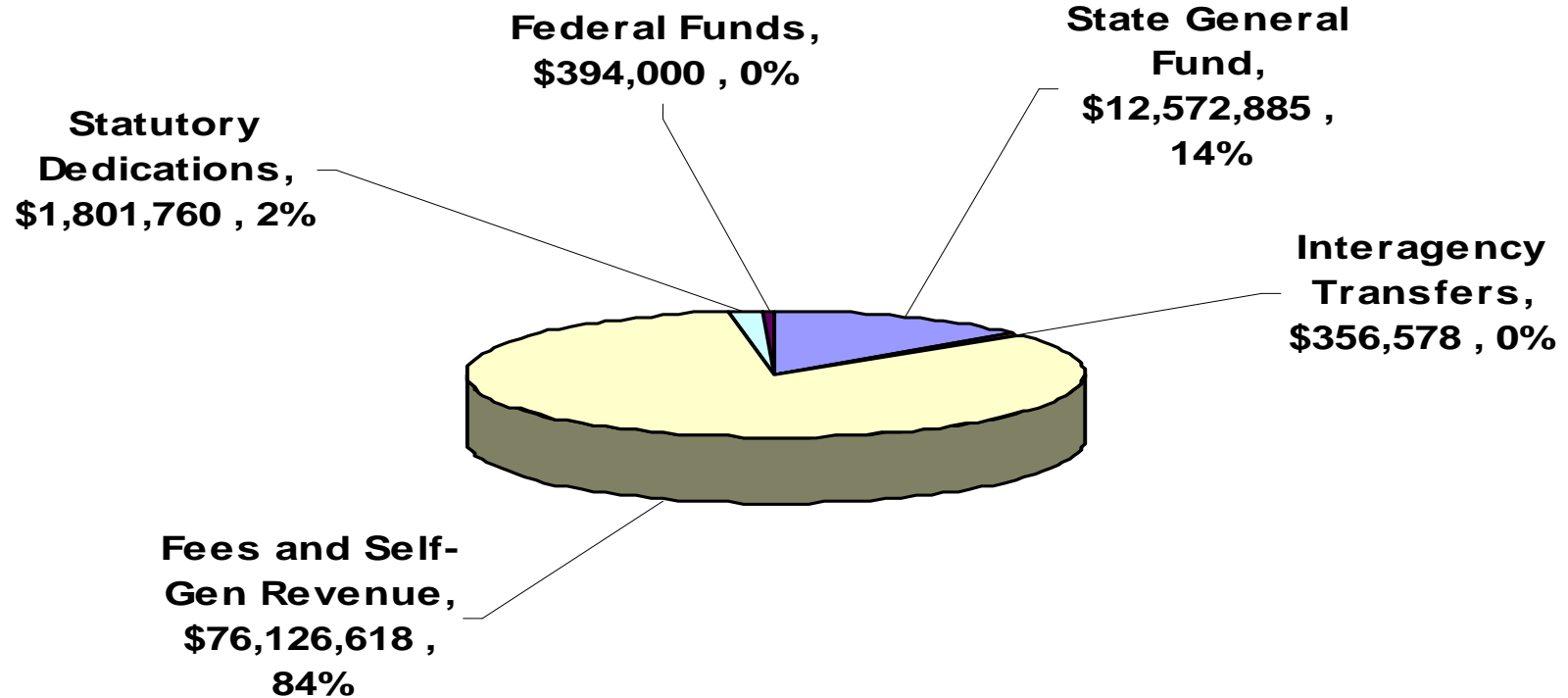
Major Sources of Revenue Include: Audit and Collection fees, late payment delinquent fees, and negligence fees.

(No funding from the American Recovery and Reinvestment Act of 2009 is included in this department.)



Department of Revenue

Executive Budget FY 09-10





FY 09-10 Executive Budget by Expenditure

Expenditures	FY 07-08 Actual Expenditures	FY 08-09 Existing Operating Budget as of 2/1/09	FY 09-10 Executive Budget	Change from FY 08-09 to FY 09-10	Percent Change
Salaries	\$ 41,209,251	\$ 42,217,376	\$ 42,189,091	\$ (28,285)	-0.1%
Other Compensation	\$ 2,794,216	\$ 2,713,817	\$ 2,353,817	\$ (360,000)	-13.3%
Related Benefits	\$ 16,466,041	\$ 16,258,704	\$ 13,777,416	\$ (2,481,288)	-15.3%
Travel	\$ 1,379,034	\$ 1,362,009	\$ 1,112,670	\$ (249,339)	-18.3%
Operating Services	\$ 12,396,174	\$ 11,244,902	\$ 10,454,285	\$ (790,617)	-7.0%
Supplies	\$ 600,963	\$ 580,136	\$ 471,481	\$ (108,655)	-18.7%
Prof Srvcs	\$ 3,710,252	\$ 8,574,486	\$ 6,063,687	\$ (2,510,799)	-29.3%
Other Charges	\$ 11,796,383	\$ 16,090,436	\$ 13,464,888	\$ (2,625,548)	-16.3%
Acq/Major Repairs	\$ 1,153,500	\$ 3,156,358	\$ 1,364,506	\$ (1,791,852)	-56.8%
Unalloted	\$ -	\$ 1,387,902	\$ -	\$ (1,387,902)	-100.0%
TOTAL EXP	\$ 91,505,814	\$ 103,586,126	\$ 91,251,841	\$ (12,334,285)	-11.9%



Significant Budget Changes

- | | |
|---------------------|---|
| \$3.3 million SGF | Means of finance substitution increasing State General Funds and decreasing Fees and Self-generated Revenues. |
| \$1.5 million SGR | Additional funding for desktop computers, laptops, 12 vehicles, 10 bulletproof vests, 10 digital cameras and 10 scanners. |
| \$1 million | Additional funding for classified employee merit increases, civil service training series, attrition and salary base adjustment - (\$1.3M)SGF; \$2.3M SGR; \$80,486 SD. |
| (\$6 million) | Non-recurr acquisitions and carryforwards – (\$5,492) SGF; (\$1.4M) IAT; \$(4.4M) SGR; (\$236,043) SD. |
| (\$3.4 million) SGF | Decrease funding for travel, operating services, professional services, other charges and interagency transfers. |



Significant Budget Changes (continued)

- | | |
|---------------------|--|
| (\$2.8 million) | Decrease funding for group insurance for retirees – (\$2.6 million) SGF; (\$172,320) SGR. |
| (\$1.6 million) SGF | Decrease funding and 20 positions which include 18 direct taxpayer assistance positions in the Office of Revenue and 2 attorney positions in the Tax Commission. |
| (\$1.2 million) SGF | Decrease funding associated with the Deficit Reduction Plan. |



Office of Revenue

- Close Thibodeaux Office
 - Savings (\$258,000)
 - 3 employees will be laid off
 - Remaining employees will provide services to citizens while working from home
 - Impact
 - Reduction in delinquent taxpayer collections of \$2.4 million
 - Decline in service delivery



Louisiana Tax Commission

- Eliminate Legal Section
 - Savings
 - Layoff 3 employees (\$338,253)
 - \$287,753 in salaries and related benefits
 - \$50,000 in travel, operating services, professional services and interagency transfers
 - Impact
 - According to FY 09-10 performance data
 - Percentage of protest hearings completed within the tax year will decline by 50%



Statutory Dedications Funding History

Statutory Dedication	Prior Year Actuals FY 05-06	Prior Year Actuals FY 06-07	Prior Year Actuals FY 07-08	Existing Budget FY 08-09	Recommended Budget FY 09-10
Tobacco Regulation Enforcement Fund	\$0	\$246,047	\$471,963	\$998,308	\$839,650
Tax Commission Expense Fund	\$328,022	\$540,901	\$492,495	\$868,161	\$962,110
Overcollections Fund	\$0	\$0	\$81,458	\$77,385	\$0



Tax Commission Expense Fund History

Fiscal Year	Actual (*Projected) Revenue Collected	Actual (*Projected) Expenditures	Actual (*Projected) Balance Remaining	Actual (*Projected) Balance Carryforward
Beg Bal				\$67,422
FY 03/04	\$548,142	\$375,000	\$240,564	\$240,564
FY 04/05	\$483,511	\$582,995	\$141,080	\$141,080
FY 05/06	\$601,228	\$328,022	\$414,286	\$414,286
FY 06/07	\$539,776	\$540,901	\$413,161	\$413,161
FY 07/08	\$551,896	\$492,495	\$472,562	\$472,562
FY 08/09*	\$522,431	\$868,161	\$126,832	\$126,832
FY 09/10*	\$512,251	\$962,110	-\$320,027	



Performance Indicators

Office of Revenue

New Indicators

- Recommended "Cost per dollar of revenue collected" FY 09-10 - \$.0069
- Recommended "Enforcement revenues per dollar of enforcement program expenditures" FY 09-10 - \$13

Louisiana Tax Commission

- Percentage of protest hearings completed within the tax year in which the protest was filed will decline from 100% in FY 08-09 to 50% in FY 09-10
- Total number of property appraisals conducted will decline from 7,500 in FY 08-09 to 3,000 in FY 09-10



Performance Evaluations

FY 08-09 (as of 3/31/09)

- 96% of the employees evaluated received average or better performance evaluations
- 94% of the employees with an average or better performance evaluation received a merit increase of 4%



Discretionary vs Non-Discretionary Total Means of Finance for FY 09-10

Discretionary	\$85,992,860	94.24%
Non-Discretionary	\$5,258,981	5.76%
Total	\$91,251,841	100.00%

- non-discretionary funding is used to pay debt service (rent in state owned building) and to meet unavoidable obligations (group insurance for retirees and maintenance of state buildings)